State of Utah
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY

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-m/053/005

March 25, 1998

Mr. Doug D. Jensen
USMX of Utah, Inc.
P.O. Box 2650
St. George, Utah 84770

Dear Mr. Jensen:

Subject: Approval to Discharge Fluids to the Existing 7-Million Gallon Pond - Goldstrike Mine

We have reviewed your request and supporting information, dated March 11, 1998, to discharge diluted process fluids to the existing 7-million gallon pond constructed above the Hamburg Pit. The document includes 1) An evaluation of a sample taken in March of 1998 ; 2) A copy of the attenuation study prepared by JBR Environmental Consultants that assesses the potential ground water impacts from the pond; and, 3) An evaluation of the attenuation capacity of the soils beneath the pond as it relates to the March sample.

Based on our review, we hereby approve USMX's request to discharge fluids from the process ponds to the existing 7-million gallon clay lined pond subject to the following conditions:

1. The chemical concentrations of solutions discharged to the pond must not exceed those levels of a sample analyzed by Chemtech-Ford Laboratories (Group # 21217 & Lab # 98-U00988) and submitted to this office on February 13, 1998.
2. To assure the chemical concentrations of the solutions remain low, all discharges to the pond must cease after May 31, 1998.
3. A sample of each discharge must be collected and analyzed for suspect metals listed in the attenuation study and the results submitted to this office.

The chemical concentration of the March 3, 1998 sample is not identical to the solution evaluated in the attenuation study however the expected reduction of chemical concentrations of the solutions presently in the lined ponds is based on the percent reduction obtained in the study. USMX has

demonstrated that the low level contaminants that may leak though the Hamburg Pond will be attenuated significantly after percolating through backfill material in the Hamburg Pit, and therefore, it will not result in contamination of ground water. USMX has further demonstrated that the specific retention of material beneath the clay pond will completely absorb at least 7-million gallons of fluid, and therefore will not effect the ground water. The Hamburg Pit lies under the proposed 7-million gallon pond. The storm water percolating through the pit will have minimal impact to ground water.

If we can be of further assistance, please contact me or Mr. Lyle Stott of my staff.

Sincerely,

Don A. Ostler, P.E.
Director

DAO:LWS:

cc: Mr. Travis W. Jones - Division of Oil, Gas and Mining
U.S. & Fish and Wildlife Service
Mr. Fred Nelson - Assistant Attorney General
Mr. Wayne Thomas - Southwest Utah Public Health Department

LS:USMX 7-MILLOIN GALLON POND.WPD
FILE:USMX